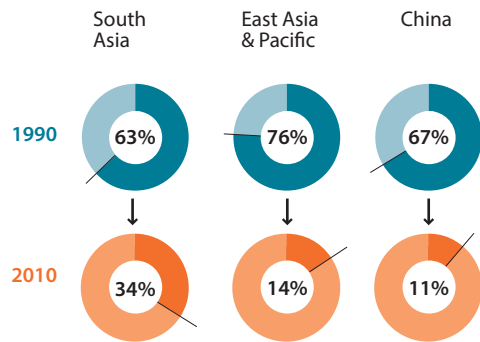


CHINA PLAYS AN INCREASINGLY IMPORTANT ROLE IN THE ASIA PACIFIC REGION

China plays an increasingly important role in the Asia Pacific region. As a growing destination for the region's exports and with initiatives like the Silk Road and Asian Infrastructure Investment Bank and increased military spending, China is leveraging its influence in the region. However, China's economic rise is weighed down by a high debt and low growth.

Rising middle class and declining poverty

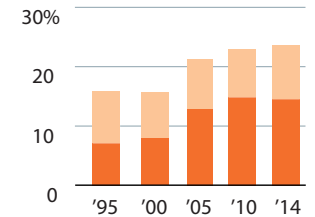
Poverty headcount ratio % of population*



*Poverty headcount ratio at \$1.90 a day (2011 PPP)

Increasing political role of China

China accounts for greater share of imports from APAC



■ Hong Kong
■ Mainland China

Expanding military presence in South Chinese Sea

Rapidly increasing debt and lower growth

272%